

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES

Applicants: Oliver, et al.

Appeal No.: 2009-005524

Serial No.: 09/036,236

Filed: March 6, 1998

For: SYSTEM FOR MANAGEMENT OF TRANSACTIONS ON
NETWORKS

May 7, 2010

Board of Patent Appeals and Interferences
United States Patent and Trademark Office
P.O. Box 1450
Alexandria VA 22313-1450

Dear Sirs,

POST-HEARING SUPPLEMENTAL RESPONSE

Applicants' undersigned attorney wishes to supplement the record with responses to particular issues raised at the hearing. This supplemental response is intended to assist the Board in identifying the relevant portions of the voluminous record.

ISSUE 1

Was Any Computer Code Provided with the Application As Filed to Support Claims Under 35 USC 112, 6th Paragraph?

The Application as filed included a computer disk and a microfiche appendix which included software code corresponding to applicants' operable embodiment of the invention. (See IFW p. 2231/2232, PTO/SB/05 3/6/98 IFW p. 2163/2232, p. 1 of specification (reference to Microfiche appendix))

ISSUE 2

Where In The Record Did The Examiner Consider and/or Refuse To Consider Applicants' Declaration?

The history of the issue is as follows:

On December 23, 2002, applicants submitted a Declaration of William P. Densmore with an RCE and Response to Office action. This declaration was provided for the purpose of antedating Teper, while the application is under consideration for an Interference with Teper.

On March 26, 2003, Examiner Thomson issued a non-final action which acknowledged the Declaration of William Densmore (paragraph 6). A 35 USC 102(b) (public use/public sale) rejection was asserted on an equivalent of what is now referred to as Exhibit O. (paragraph 11). Because the issue was one of interference at that time, the acceptability of the Declaration of William Densmore (under 37 CFR 1.131) to overcome Teper et al. was not considered. (paragraph 20).

On June 26, 2003, applicants filed a response. Enclosed with the response was the Second Declaration of William Densmore "which provide[s] further details regarding evidence of applicants' conception of the presently claimed invention on a date prior to the filing date of the Teper et al. patent, April 3, 1996."

On September 2, 2004, examiner Geoffrey Akers issued a Final Office Action, which refers to the Declaration of William Densmore (paragraph 5) and the Second Declaration of William Densmore (paragraph 6). The examiner (paragraph 7) stated:

The evidence submitted is insufficient to overcome the priority date of the patent reference (Teper et al. [U.S. Patent No. 5,815,665]). Applicants do not claim priority to a specific date. But, rather, the disclosures of applicant are dated disclosures referring to the Clickshare Corporation and/or Newshare Corporation and their activities that, while related to applicants' invention, do not clearly establish due diligence in the prosecution of their invention from a date prior to reduction to practice of the Teper et al. reference to either a constructive reduction to practice or an actual reduction to practice of applicants' invention. Various disclosures present dates scattered from 1995 through 2003, with the dates of record as stated in the following paragraphs.

It is respectfully submitted that any reference to dates after 1998 are specious references to the automated footer printed on the bottom of the page of the attachments, and not to the substantive content of the declaration and attachments. It is respectfully submitted that this comment by the examiner indicates that he did not give full consideration to the Second

Declaration of William Densmore, which attaches 21 excerpts of articles, showing a progression of activities from 1995-1996. One of the excerpts from an article by Rose Aguilar in CInet, published on March 18, 1996, before the priority date of Teper et al. (p. 4 of declaration, page 10/14 of attachment), demonstrates that the inventors had further architected the “Clickshare Access and Payment Service, the technology lets users bill charges from several online content publishers to a single billing account...” Note that the Second Declaration of William Densmore does indeed allege that the system described by the Aguilar article, corresponded to the claimed invention (See paragraph 10 of Second Declaration of William Densmore, which refers to activities of inventors before 3/18/1996).

On December 2, 2004, applicants responded to the Final Office Action, and presented this argument. See, pp. 2-3. Attached with this response is a “Declaration of David Oliver, William P. Densmore, Jr., and Michael Callahan” (the named inventors) dated August 12, 2004, copied from copending 09/599,163. This declaration was presented “to support applicants’ claim of invention prior to April 6, 1996, the effective date of Teper et al.” (paragraph 4). This declaration also discusses the Aguilar reference.

On February 4, 2005, examiner Jeffrey Smith responded with an advisory action. Box 11 was checked, stating that “The request for reconsideration has been considered but does NOT place the application in condition for allowance because...” Likewise, boxes 8 and 9 were not checked, indicating that accompanying declaration was considered.

On March 2, 2005, applicants responded, filing a Request for Continued Examination, accompanied by an amendment. The previously interfering claims were amended, and argued to distinguish Teper et al. (see p. 32).

On June 3, 2005, Examiner Jeffrey Smith issued a nonfinal action, in which the basic rejections now appealed were presented. No reference was made to the Declarations.

On October 3, 2005, applicants responded, presenting the Third Declaration of William Densmore, also dated October 3, 2005, which indicated that, as of March 8, 1996, there existed no operational embodiment of the invention as claimed, and that development activities were continuous and ongoing. This declaration authenticates a document filed with the Provisional Patent Application on March 7, 1997, entitled “Technical Description” of the Clickshare Access and Payment System and dated April 3, 1996, the same date as the filing date of Teper et al.

On January 13, 2006, Examiner Jeffrey Smith issued a Request for Information under Rule 1.105.

Applicants responded on March 10, 2006.

On August 25, 2006, Examiner Matthew S. Gart issued the Final Rejection now under Appeal. The response to Request for Information under Rule 1.105 and the Third Declaration of William Densmore were deemed sufficient to overcome the rejection of the claims under 35 USC 102(b) as being subject to public use and sale. The rejection of the claims as being anticipated by Exhibit "O" was maintained. "The examiner notes, Exhibit O clearly discloses and teaches the use of aggregate micro-charges, whereby these charges are settled monthly or more frequently, allocating commissions, royalties and transaction fees, thus forming the basis of a system resembling an ATM network." [It is noted that an ATM network provides real time authorization and account balances, and is thus distinct from the presently claimed invention.] On page 18 of the Office Action, the Examiner refers to the Second Declaration of William P. Densmore, but not the First or Third, or the Declaration of David Oliver, William P. Densmore, Jr., and Michael Callahan, each of which must be considered together as the evidence in the application, and the examiner refers to the office action submitted September 2, 2004 in which "said declaration was previously found ineffective...". Thus, examiner Smith did not acknowledge nor address the Third Declaration of William Densmore.

On November 23, 2006, applicants responded, and on page 29 of 32, requested the examiner's consideration of the remaining declarations.

On December 15, 2006, Examiner Matthew Gart issued an advisory action, without reference to the Declarations.

The Notice of Appeal was filed January 25, 2007.

In the Appeal Brief refiled January 16, 2009, in the discussion of the rejection under 35 USC 103(a) over Exhibit O in view of Teper et al, applicants repeated their indication that not all of the information of record was considered in formulating the Final Rejection.

On July 12, 2007, the Examiner's Answer was filed, generally reiterating the rejections set forth in the Final Rejection dated August 25, 2006. The examiner references the Third declaration of William Densmore on page 24, but not with respect to diligence to reduction to practice.

ISSUE 3

The examiner cites In re Sasse and MPEP § 716.07 for the proposition that “when the reference relied on expressly anticipates or makes obvious all of the elements of the claimed invention, the reference is presumed to be operable. Once such a reference is found, the burden is on applicant to provide facts rebutting the presumption of operability. In re Sasse, 629 F.2d 675, 207 USPQ 107 (CCPA 1980). See also MPEP § 716.07.”

MPEP § 716.07 provides (emphasis added):

716.07 Inoperability of References

Since every patent is presumed valid (35 U.S.C. 282), and since that presumption includes the presumption of operability (*Metropolitan Eng. Co. v. Coe*, 78 F.2d 199, 25 USPQ 216 (D.C.Cir. 1935)), examiners should not express any opinion on the operability of a patent. Affidavits or declarations attacking the operability of a patent cited as a reference must rebut the presumption of operability by a preponderance of the evidence. In re Sasse, 629 F.2d 675, 207 USPQ 107 (CCPA 1980).

Further, since in a patent it is presumed that a process if used by one skilled in the art will produce the product or result described therein, such presumption is not overcome by a mere showing that it is possible to operate within the disclosure without obtaining the alleged product. In re Weber, 405 F.2d 1403, 160 USPQ 549 (CCPA 1969). It is to be presumed also that skilled workers would as a matter of course, if they do not immediately obtain desired results, make certain experiments and adaptations, within the skill of the competent worker. The failures of experimenters who have no interest in succeeding should not be accorded great weight. In re Michalek, 162 F.2d 229, 74 USPQ 107 (CCPA 1947); In re Reid, 179 F.2d 998, 84 USPQ 478 (CCPA 1950).

Where the affidavit or declaration presented asserts inoperability in features of the reference which are not relied upon, the reference is still effective as to other features which are operative. In re Shepherd, 172 F.2d 560, 80 USPQ 495 (CCPA 1949).

Where the affidavit or declaration presented asserts that the reference relied upon is inoperative, the claims represented by applicant must distinguish from the alleged inoperative reference disclosure. In re Crosby, 157 F.2d 198, 71 USPQ 73 (CCPA 1946). See also In re Epstein, 32 F.3d 1559, 31 USPQ2d 1817 (Fed. Cir. 1994) (lack of diagrams, flow charts, and other details in the prior art references did not render them nonenabling in view of the fact that applicant's own specification failed to provide such detailed information, and that one skilled in the art would have known how to implement the features of the references).

If a patent teaches or suggests the claimed invention, an affidavit or declaration by patentee that he or she did not intend the disclosed invention to be used as claimed by applicant is immaterial. In re Pio, 217 F.2d 956, 104 USPQ 177 (CCPA 1954). Compare In re Yale, 434 F.2d 66, 168 USPQ 46 (CCPA 1970) (Correspondence from a co-author of a literature article confirming that the article misidentified a compound through a typographical error that would have been obvious to one of ordinary skill in the art was persuasive evidence that the erroneously typed compound was not put in the possession of the public.).

It is respectfully submitted that this section of the MPEP, and the underlying rationale, are not applicable to non-patent references, especially when the reference itself is not a peer reviewed scientific reference and concedes that it is not referring to any apparatus or method in existence. No presumption should be applied to the veracity of the statements, especially when the author of those statements, under oath, indicates that they are being misinterpreted. In this case, multiple declarations from William Densmore indicate that Exhibit O should not be interpreted to indicate that any accounting and settlement system was in existence before October, 1995, and that the inventors had not yet reduced to practice this aspect of the now-claimed invention.

See, *Paperless Accounting, Inc. v. Bay Area Rapid Transit System*, 804 F.2d 659, 231 U.S.P.Q. 649 (Fed. Cir. 1986)

Because the foreign patents correspond substantially to the disclosure of the '196 parent, as both parties averred (we observe that they are not identical in all respects), it is pertinent to consider this fact if the '196 parent is held insufficient as to any claim of the '300 patent. As this court held in *In re Donohue*, 766 F.2d 531, 226 USPQ 619 (Fed.Cir.1985), a Sec. 102(b) reference "must sufficiently describe the claimed invention to have placed the public in possession of it." *Id.* at 533, 226 USPQ at 621 (citing *In re Sasse*, 629 F.2d 675, 681, 207 USPQ 107, 111 (CCPA 1980); and *In re Samour*, 571 F.2d 559, 562, 197 USPQ 1, 4 (CCPA 1978)). The court observed in *Donohue* that "even if the claimed invention is disclosed in a printed publication, that disclosure will not suffice as prior art if it was not enabling." *Id.* (citing *In re Borst*, 345 F.2d 851, 855, 145 USPQ 554, 557 (CCPA 1965), cert. denied, 382 U.S. 973, 86 S.Ct. 537, 15 L.Ed.2d 465, 148 USPQ 771 (1966) ("the disclosure must be such as will give possession of the invention to the person of ordinary skill")). See also *Reading & Bates Construction Co. v. Baker Energy Resources Corp.*, 748 F.2d 645, 651-52, 223 USPQ 1168, 1173 (Fed.Cir.1984); *Preemption Devices, Inc. v. Minnesota Mining & Manufacturing Co.*, 732 F.2d 903, 906, 221 USPQ 841, 843 (Fed.Cir.1984). The basis for this rule is found in the description requirement of Sec. 102(b). *Donohue*, 766 F.2d at 533 n. 7, 226 USPQ at 621 n. 7 (citation omitted). If the disclosure of the '196 parent application is insufficient to place the claimed invention in the possession of the public, then its British, French, and Canadian counterparts are also insufficient to do so.

Indeed, MPEP 2121.02 is believed to address an analogous situation, the manufacture of compounds, and applicants' evidence of failure to complete the accounting and settling features of the invention prior to at least March 8, 1996, despite efforts to achieve that end, should be deemed evidence of non-enablement of Exhibit O:

2121.02 Compounds and Compositions - What Constitutes Enabling Prior Art [R-3]
>I. <ONE OF ORDINARY SKILL IN THE ART MUST BE ABLE TO MAKE
OR SYNTHESIZE

Where a process for making the compound is not developed until after the date of invention, the mere naming of a compound in a reference, without more, cannot constitute a description of the compound. In re Hoeksema, 399 F.2d 269, 158 USPQ 596 (CCPA 1968). Note, however, that a reference is presumed operable until applicant provides facts rebutting the presumption of "operability". In re Sasse, 629 F.2d 675, 207 USPQ 107 (CCPA 1980). Therefore, applicant must provide evidence showing that a process for making was not known at the time of the invention. See the following paragraph for the evidentiary standard to be applied.

>II. < A REFERENCE DOES NOT CONTAIN AN "ENABLING DISCLOSURE" IF ATTEMPTS AT MAKING THE COMPOUND OR COMPOSITION WERE UNSUCCESSFUL BEFORE THE DATE OF INVENTION

When a prior art reference merely discloses the structure of the claimed compound, evidence showing that attempts to prepare that compound were unsuccessful before the date of invention will be adequate to show inoperability. In re Wiggins, 488 F.2d 538, 179 USPQ 421 (CCPA 1971). However, the fact that an author of a publication did not attempt to make the compound disclosed, without more, will not overcome a rejection based on that publication. In re Donohue, 766 F.2d 531, 226 USPQ 619 (Fed. Cir. 1985) (In this case, the examiner had made a rejection under 35 U.S.C. 102(b) over a publication, which disclosed the claimed compound, in combination with two patents teaching a general process of making the particular class of compounds. The applicant submitted an affidavit stating that the authors of the publication had not actually synthesized the compound. The court held that the fact that the publication's author did not synthesize the disclosed compound was immaterial to the question of reference operability. The patents were evidence that synthesis methods were well known. The court distinguished Wiggins, in which a very similar rejection was reversed. In Wiggins, attempts to make the compounds using the prior art methods were all unsuccessful.). Compare In re Hoeksema, 399 F.2d 269, 158 USPQ 596 (CCPA 1968) (A claim to a compound was rejected over a patent to De Boer which disclosed compounds similar in structure to those claimed (obvious homologs) and a process of making these compounds. Applicant responded with an affidavit by an expert named Wiley which stated that there was no indication in the De Boer patent that the process disclosed in De Boer could be used to produce the claimed compound and that he did not believe that the process disclosed in De Boer could be adapted to the production of the claimed compound. The court held that the facts stated in this affidavit were legally sufficient to overcome the rejection and that applicant need not show that all known processes are incapable of producing the claimed compound for this showing would be practically impossible.).

ISSUE 3

The examiner and the Board indicate that applicant has failed to effectively argue the independent patentability of the dependent claims because applicant had failed to specifically point out how the language of the claims patentably distinguishes them from the references. 37 CFR 41.47(c)(vii) requires that "A statement which merely points out what a claim recites will

not be considered an argument for separate patentability of the claim.” In this case, applicant has not simply alleged that the claims are patentable, and rather has asserted clearly and succinctly that the examiner has failed to set forth a prima facie case of anticipation because the reference does not teach or suggest the particularized claim elements; the Board is fully apprised of the issue and applicants’ position; no synopsis of a claim will replace its text; likewise, the language of the reference also speaks for itself. Since the rejections relate to the correspondence of issues arises with respect to dependent claims which are alleged to be directly corresponding to language in the reference, the task of the Board in any case is to determine whether the language of the claim directly corresponds to the language of Exhibit O, and no further discussion is believed useful to assist the Board in that task.

Note that, if the Board determines that applicant has failed to meet its burden of “specifically pointing out how the language of the claims patentably distinguishes them from the references” per 37 CFR 1.111(b), then the examiner has correspondingly not met his burden under 37 CFR § 1.104(c)(2) (“In rejecting claims for want of novelty or for obviousness, the examiner must cite the best references at his or her command. When a reference is complex or shows or describes inventions other than that claimed by the applicant, the particular part relied on must be designated as nearly as practicable. The pertinence of each reference, if not apparent, must be clearly explained and each rejected claim specified.”) and/or 37 CFR 113(b) (“In making such final rejection, the examiner shall repeat or state all grounds of rejection then considered applicable to the claims in the application, clearly stating the reasons in support thereof.”) There is no basis to hold applicant to a different standard in its response or appeal brief than the examiner in terms of the rejection; the examiner in this case has merely quoted the language of a reference (with underlines). Applicant has quoted the claim language or portion thereof which it is alleged is absent from the teachings of the reference, and additionally argued that the reference fails to teach or suggest this particularized claim language, i.e., has failed to establish a prima facie rejection. This later aspect is believed sufficient to meet the requirements of 37 CFR 41.37(c)(vii). If applicant’s quotations are deemed deficient, then the Examiner’s quotations should also be deemed deficient, and the rejections reversed, since it is the examiner’s burden of proof.

CONCLUSION

The foregoing is believed to supply responses to questions and issues raised by the Board during oral argument, and consistent with applicants' continuing duty of candor. It is believed appropriate for the Board to consider these supplemental responses in formulating its response.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Steven M. Hoffberg", written in a cursive, flowing style.

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